Independents from contesting elections and to terminate the nomination of Anglo-Indian members;

(b) if so, whether Government have seriously examined the recommendations of the Law Commission;

(c) if so, the reaction of Government thereto; and

(d) by when a final decision in this regard is likely to be taken?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RAM JETHMALANI): (a) Yes, Sir.

(b) to (d) Government has not yet finally formed its conclusions on these issues.

Legislation of Code of Conduct for Judges

728. SHRIMATI JAYAPRADA NAHATA: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government propose to bring forward any legislation on the Code of Conduct for Judges; and

(b) if so, the details thereof and by when it is likely to be introduced?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RAM JETHMALANI): (a) and (b) One of the items of the National Agenda for Governance of the National Democratic Alliance is to set up a National Judicial Commission which would *inter alia* draw up a code of ethics for the judiciary. The proposal would require Parliamentary legislation. It is, however, not possible to indicate the time by which a decision in this regard would be taken.

Setting up of a Committee to examine Cases of Insolvency and Restructuring of Companies

729. SHRI P. PRABHAKAR REDDY: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the Government have decided to set up a Committee headed by Supreme Court Judge to examine cases of insolvency and restructuring of companies;

(b) if so, the details of its composition, tenure and terms of reference; and

(c) whether the proposed committee would recommend mandatory guidelines for the errant companies for discharging their contractual liability and pay off their debt to their depositors and investors and if not, the reasons therefor?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RAM JETHMALANI): (a) The Government has decided to constitute a Committee to examine the existing law relating to winding up proceedings of companies in order to remodel it in line with the latest developments and innovations in the corporate law governance. The Committee would also suggest reforms in the procedure followed in the insolvency proceedings of companies to avoid unnecessary delays and make it in tune with the international practices in this field.

(b) The details of composition, tenure and terms of reference of the Committee are given in the enclosed Statement (*See* below).

(c) The Committee may give any recommendation with reference to its terms which may include suggesting mandatory guidelines for companies in certain area.

Statement

Setting up of a Committee to Examine Cases of Insolvency and Restructuring of Companies

Composition of the Committee

(1) Shri Justice V. Balakrishna Eradi, Retired Judge of Supreme Court	—Chairman
(2) Shri S. Ramaiah, former Secretary Legislative Department	—Member
(3) Shri Subodh Bhargava, Nominee of CII	—Member
(4) Prof. C.G. Raghavan, former Dean Professor & Head of the Department of Law, Nagpur University	—Member
(5) Shri A. V. Sambhashiva Rao, Advcoate, Vice President, All India Bhartiya Majdoor Sangh	—Member
(6) Shri V. K. Bhasin, Legislative Department	—Member
(7) Shri G. M. Ramamurthy, Chief General Manager (Legal), IDBI	—Member

(8) Shri U. P. Mathur, Advocate —Member
(9) Shri Shardul Shroff, Advocate, Delhi —Member
(10) Shri S. B. Mathur, Director (Inspection & Investigation), Department of Company Affairs —Member Secretary

Tenure of the Committee

The Committee will submit its report within a period of six months from the date of its first meeting.

Terms of Reference: The Committee would examine and make recommendations with regard to:

(a) the desirability of changes in existing law relating to winding up of companies so as to achieve more transparency and avoid delays in the final liquidation of the companies.

(b) the mechanism through which the management of companies will be conducted after the winding up of order is issued and the authority which will supervise timely completion of proceedings.

(c) the rules of winding up and adjudication of insolvency of companies.

(d) the manner in which the assets of the companies are brought to sale and the proceeds are distributed efficiently, and

(e) a self-contained law on winding up of companies having regard to the Sick Industrial Companies (Special Provision) Act, 1985 and the Securities Contracts (Regulations) Act, 1956 with a view to creating confidence in the mind of investors, creditors, labour and other shareholders.

Legislation for giving Legal Sanctity to Code of Conduct

730. SHRI P. PRABHAKAR REDDY: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Government would soon bring forward a Legislation giving legal sanctity to the code of conduct evolved by the Supreme Court of India in relation to the conduct of the Judges of the Supreme Court and High Courts;

(b) whether the Chief Justice of India has been consulted with regard to the proposed legislation; and